

USAID: ENGAGING WITH THE PRIVATE SECTOR

USAID recognizes that achieving sustainable solutions to global challenges requires collaboration across the public, private and philanthropic sectors. By engaging with the private sector in particular, USAID is building dynamic, mutually beneficial alliances with companies to foster economic growth, reduce poverty and improve business outcomes in developing countries.



Why We Work with the Private Sector

USAID works with companies where there is strong alignment between business interests and development objectives. The opportunities for strong alignment of interests are growing – developing economies now account for more than half of the world's economic output and represent many of the fastest growing markets, customer bases and workforces. More than 90 percent of financial flows from the U.S. to the developing world are now from private sources, creating an opportunity for USAID and the private sector to work together to leverage complementary strengths and resources to promote market-led development.

Many obstacles businesses face are symptoms of the social and economic development challenges USAID is working to address in developing countries – from customer outreach and supply chain stability to community investment and workforce development. USAID works as co-investor, convener, facilitator and risk mitigator, offering support to companies that in turn share their resources, assets and expertise to reduce poverty and spur economic growth through market-based solutions.

How We Work with the Private Sector

USAID has a long track record of partnering with the business community. We work collaboratively with the private sector to improve the business environments of developing countries, mitigate risk and help companies find growth and investment opportunities in critical development sectors. Since 2001, we have built more than 1,600 alliances with 3,000 partners, spanning all regions and development priorities and leveraging more than \$19 billion in public and private resources.



USAID's flagship model for partnership with the private sector is the [Global Development Alliances](#) (GDAs). We have found that our most impactful GDAs are structured in diverse ways but also always:

- Focus on “shared value,” priorities that align business goals with USAID development objectives;
- Are co-designed, co-funded and co-managed so that risks, responsibilities and rewards are shared;
- Draw upon the core capabilities of each partner;
- Employ cost-effective models that are scalable and sustainable; and
- Clearly outline roles, responsibilities and results, through agreements such as memoranda of understanding.

The [GDA Annual Program Statement](#) solicits private sector ideas for solving our most pressing challenges. If your company has a proposal for collaboration, please contact globalpartnerships@usaid.gov.

USAID also works with the private sector – including U.S. and global corporations, regional and local businesses in developing countries, and industry associations – in a number of other ways:

- Providing [guarantees](#) to unlock local capital for sustainable growth
- Offering [field support, industry expertise and country-specific knowledge](#) to help facilitate sustainable investment opportunities in developing countries
- Providing [financing](#) to find and test cost-effective, scalable development solutions through a venture capital style grant competition
- Strategically engaging with the private sector to advance our Presidential Initiatives in the areas of [food security](#), [global health](#) and [climate change](#) and [energy](#)
- Convening diverse partners and using science and technology to [discover, test and scale breakthrough innovations](#) to solve development challenges faster, cheaper and sustainably

Tackling Global Development Priorities

USAID works around the world—from Asia and Latin America and the Caribbean to Africa, the Middle East and Europe and Eurasia—across a diverse range of sectors including:

- Agriculture and food security;
- Democracy, human rights and governance;
- Economic growth and trade;
- Education;
- Environment and global climate change;
- Gender equality and women's empowerment;
- Global health;
- Water and sanitation; and
- Crisis and humanitarian response.



Getting Started

USAID actively seeks to engage companies to explore collaboration, and we invite companies to share new ideas or work with us to create new solutions and approaches to reducing poverty that also create business value. We believe the strongest partnerships are rooted in deeply shared interests, and our process for engagement starts with understanding each other's objectives, interests and capabilities, and open dialogue to zero in on the highest potential opportunities to advance shared goals.

To learn about the geographies and sectors in which we work and identify of areas potential alignment for your company, please visit [USAID.gov](https://www.usaid.gov). USAID also offers [online training modules](#) to answer your questions about partnering with us.

To begin the conversation, you are encouraged to contact relevant staff in our [overseas missions](#) and sector bureaus or USAID's Global Partnerships Division, which works to support the creation and management of PPPs across the Agency. *For further information, please contact globalpartnerships@usaid.gov.*



Key Resources

[USAID.gov](https://www.usaid.gov) is a hub of information about the Agency's work across the world as well as key resources for the private sector and development professionals that are interested in collaborating. Here you will find:

- Details about the work we do around the world, across a wide range of [sectors](#) – from global health, water and sanitation, and food security to democracy and governance, gender equality, and education.
- Information about the ways your company can [partner with us](#):
 - ◇ Explore the various ways you can [build a partnership](#) with USAID
 - ◇ [Share your innovative ideas](#) with us
 - ◇ [Respond to a solicitation](#) or award opportunity
- [Guidance for each step of the public-private partnership process](#)
- Online [partnerships training modules](#) answer your most frequently asked questions about working with USAID
- Contact information for our [mission staff](#)

USAID: PARTNERSHIPS IN ACTION

HEALTH

Through the Development Credit Authority, USAID and **General Electric**, in conjunction with **Kenya Commercial Bank (KCB)**, has committed to making available up to \$10 million in local financing to small and medium enterprises for the development of private health facilities in Kenya. This partnership allows KCB to take additional lending risks for clients in the health sector seeking to purchase GE medical and diagnostic imaging equipment.

USAID also joined the **Coca-Cola Company**, the **Global Fund to Fight AIDS, Tuberculosis and Malaria**, and the **Bill & Melinda Gates Foundation** to expand *Project Last Mile*, which applies Coca-Cola's logistics, supply chain, distribution and marketing expertise to help African governments bring critical medicines and medical supplies to remote communities. Launched in Tanzania then Ghana, the partnership is expanding to eight additional African countries, starting with Mozambique.

EDUCATION

Since 2000, USAID and **Cisco** have partnered to extend the reach of Cisco's Networking Academy program, teaching the skills needed to build, design and maintain networks, while improving career prospects of citizens in low-income communities in more than 70 countries. In March 2013, USAID and Cisco announced a new PPP to expand the program and establish new Cisco Networking Academies in Burma.

AGRICULTURE

The *African Cocoa Initiative*, an alliance bringing together USAID, the World Cocoa Foundation and the Sustainable Trade Initiative with key African governments is focused on improving cocoa farmer incomes and alleviate poverty, strengthen government and regional institutions, and advance food security in the cocoa-producing countries of Cote d'Ivoire, Ghana, Cameroon and Nigeria. The partnership includes investments from key chocolate-producing companies like **Mars**, **The Hershey Company** and **Kraft Foods**, as well as implementing partners such as the Alliance of Cocoa Producing Countries and CropLife Africa Middle East.

The *New Alliance for Food Security* aims to lift more than 50 million people out of poverty in sub-Saharan Africa through agricultural development by bringing together G8 nations, African partner countries and businesses. **Ghana Nuts** for example, once a recipient of U.S. development assistance, is now a leading agro processor and has joined the alliance to promote soya and expand maize procurement and processing in Ghana.

ENERGY

Through *Power Africa*, USAID has leveraged more than \$9 billion in initial investments from private sector partners to support the development of more than 8,000 megawatts of new electricity generation in sub-Saharan Africa. U.S.-based power developer, **Symbion Power** has committed to bringing \$1.8 billion in investment for energy projects and increased access to electricity for millions of users.

To learn more about our existing partnerships, please contact USAID's [Global Partnership Division](#).



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